



DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

News Release

NEIL ABERCROMBIE
GOVERNOR

DWIGHT TAKAMINE, DIRECTOR
AUDREY HIDANO, DEPUTY DIRECTOR
Phone: (808) 586-8844
Fax: (808) 586-9099

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**HAWAI'I'S SEASONALLY ADJUSTED UNEMPLOYMENT RATE
DECLINES TO 6.1 PERCENT IN APRIL**

National Unemployment Rate at 9.0 percent

HONOLULU- The Hawai'i State Department of Labor and Industrial Relations announced today that the seasonally adjusted unemployment rate for April declined to 6.1 percent, from 6.3 percent in March.

There were 596,900 employed and 38,500 unemployed in April, for a total seasonally adjusted labor force of 635,400. Nationally, the seasonally adjusted unemployment rate increased to 9.0 percent in April from 8.8 percent in March.

State of Hawai'i Seasonally Adjusted Labor Force Data**			
	<u>Apr 2011</u>	<u>Mar 2011</u>	<u>Apr 2010*</u>
Labor Force	635,400	633,900	629,000
Employment	596,900	594,000	586,850
Unemployment	38,500	39,900	42,150

* benchmarked data

**totals may not add due to rounding

	APR 2011	MAR 2011	APR* 2010
<u>Seasonally Adjusted</u>			
STATE	6.1	6.3	6.7
U. S.	9.0	8.8	9.8
<u>Not Seasonally Adjusted</u>			
STATE	5.6	6.1	6.5
HONOLULU	4.6	5.0	5.4
HAWAI'I COUNTY	8.9	9.5	9.5
KAUA'I	7.7	8.5	8.9
MAUI COUNTY	7.1	7.8	8.4
Maui Island	7.0	7.7	8.3
Moloka'i	11.7	11.1	12.5
Lana'i	3.8	5.4	6.3
U. S.	8.7	9.2	9.5

county & island rates are not seasonally adjusted

* benchmarked data

The unemployment rate figures for the State of Hawai'i and the U.S. in this release are seasonally adjusted, in accordance with the U.S. Bureau of Labor Statistics (BLS) methodology.

The not seasonally adjusted rate for the State dropped to 5.6 percent in April from 6.1 percent in March.

Industry Payroll Employment (Establishment Survey)

In another measure of employment, total seasonally adjusted nonagricultural jobs decreased by 300 jobs or -0.1 percent to 593,000 jobs from March to April. The sectors registering job gains were Educational and Health Services (+700); Construction (+400); Professional and Business Services (+200); and Financial Activities (+100). Other Services remained essentially unchanged. The industries recording job decreases were Leisure and Hospitality (-1,300); and Trade, Transportation, and Utilities (-700).

Government reported job increases. The decline in Leisure and Hospitality includes the release of employees due to the closure of a hotel on the Big Island resulting from the effects of the March tsunami

crisis. Trade, Transportation, and Utilities does not yet include the employees hired to staff the recently opened hardware store in Honolulu nor does it yet reflect additional hiring of another hardware store.

Over-the-year, from April 2010, the seasonally adjusted job count increased by 7,500 jobs or +1.3 percent. The industries posting a large portion of job growth in the private sector were Professional and Business Services (+3,600); Educational and Health Services (+3,200); and Leisure and Hospitality (+2,200).

Seasonally Adjusted Non-Ag. Jobs (Statewide)			
SELECTED SERIES:	Apr-11	Mar-11	Apr-10*
MINING, LOGGING AND AND CONSTRUCTION	28,500	28,100	29,000
TRADE, TRANSPORTATION & UTILITIES	108,700	109,400	109,900
Wholesale Trade	16,700	17,500	17,700
Retail Trade	66,000	65,200	65,900
FINANCIAL ACTIVITIES	26,200	26,100	26,900
Real Estate & Rental & Leasing	11,300	11,100	11,300
PROFESSIONAL & BUSINESS SERVICES	74,700	74,500	71,100
Professional, Scientific, Tech Svcs	24,000	24,300	24,000
EDUCATIONAL & HEALTH SERVICES	78,400	77,700	75,200
Educational Services	16,500	16,400	14,400
Health Care & Social Assistance	61,900	61,300	60,800
LEISURE & HOSPITALITY	101,800	103,100	99,600
Arts, Entertainment & Recreation	10,000	10,300	10,300
Accommodation & Food Services	91,800	92,800	89,300
OTHER SERVICES	26,500	26,500	26,400
GOVERNMENT	124,800	124,400	125,000
Federal Government	34,500	34,500	34,700
State Government	71,700	71,300	71,800
Local Government	18,600	18,600	18,500
TOTAL: STATEWIDE	593,000	593,300	585,500

* Benchmarked Data

❖ **Educational and Health Services (+700)**

This major industrial series expanded by a 700- job increase after slipping downward a month earlier.

Educational Services edged up slightly by 100 jobs in technical and trade schools. Health Care and

Social Assistance comprised a 600-job growth in various entities including offices of physicians; offices of dentists; hospitals; and individual and family services.

❖ **Construction (+400)**

Construction grew by 400 jobs growing for the second consecutive month. The job gains were noted in structural steel and precast concrete contractors; and building equipment contractors in special trade contractors, as well as utility system construction in heavy and civil engineering construction. Over-the-year, from April 2010, this major industry dropped by a modest 500 jobs or -1.7 percent in part due to slow construction activities resulting from the downturn in the economy.

❖ **Professional and Business Services (+200)**

This industrial series trended up by 200 jobs after decreasing by the same amount the previous month. Professional, Scientific, and Technical Services posted a 300-job loss in accounting, tax preparation, bookkeeping, and payroll services; and veterinary services. Administrative and Support and Waste Management and Remediation Services added 500 jobs in employment services including temporary help services and professional employer organizations; as well travel arrangement and reservation services.

❖ **Financial Activities (+100)**

Financial Activities edged up modestly by 100 jobs following a moderate drop in March. Real Estate and Rental and Leasing recorded a 200-job gain in commercial and industrial machinery and equipment rental and leasing. Finance and Insurance fell by 100 jobs in credit intermediation and related activities.

❖ **Other Services (No Change)**

Other Services remained stable in April. The increase in business, professional, labor, political, and similar organizations was offset by the decrease in grantmaking and giving services; and social advocacy organizations.

❖ **Trade, Transportation, & Utilities (-700)**

This major industry declined by a 700-job loss after registering increases a month earlier. Wholesale Trade trended down by 800 jobs in machinery, equipment, and supplies merchant wholesalers;

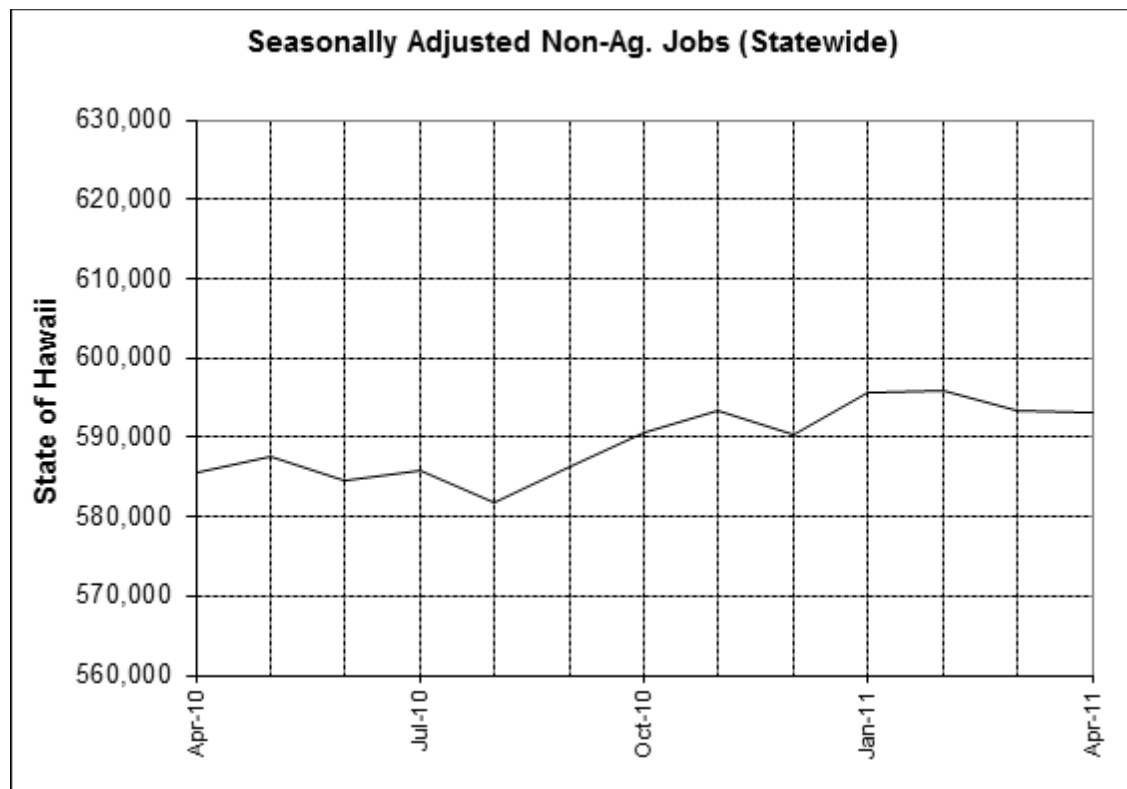
jewelry, watch, precious stone, and precious metal merchant wholesalers; and lumber and other construction materials merchant wholesalers. Transportation and Warehousing dropped by 700 jobs in specialized freight trucking; scenic and sightseeing transportation, water; and coastal and great lakes passenger transportation. Meanwhile, Retail Trade rose by the same amount as the Wholesale Trade decline increasing by 800 jobs in grocery stores; sporting goods, hobby, and musical instrument and supplies stores; and office supplies, stationery, and gift stores. The increase does not reflect the hiring of a new hardware store that recently opened in Honolulu nor does it include additional staff hired at another hardware store.

❖ **Leisure and Hospitality (-1,300)**

Leisure and Hospitality contracted by the largest number of jobs, sliding downward for the second straight month. Arts, Entertainment, and Recreation scaled back by 300 jobs in marinas; and bowling centers. Accommodation and Food Services comprised the largest decline in the industry recording a 1,000-job loss. Accommodation shredded jobs partially due to the closure of a hotel on the Big Island resulting from the tsunami crisis in March, as it released its employees. Food Services also trimmed jobs in full-service restaurants and limited-service eating places. The job losses in this industry may also have been partly attributed to the drop in international visitor arrivals.

❖ **Government (+400)**

Government trended up from March. Federal Government and Local Government both remained unchanged over-the-month. State Government composed the entire 400-job gain mainly in the Department of Education.



Technical Notes

Seasonal Adjustment

The seasonal fluctuations in the number of employed and unemployed persons reflect hiring (and layoffs) patterns that accompany regular events such as the winter holiday season and the summer vacation season. These variations make it difficult to tell whether month-to-month changes in employment and unemployment are due to normal seasonal patterns or to changing economic conditions. To deal with such problems, a statistical technique called seasonal adjustment is used. This technique uses the past history of the series to identify the seasonal movements and to calculate the size and direction of these movements. A seasonal adjustment factor is then developed and applied to the estimates to eliminate the effects of regular seasonal fluctuations on the data. When a statistical series has been seasonally adjusted, data for any month can be more meaningfully compared with data from any other

month or with an annual average.

Current Population (Household) Survey (CPS)

The labor force statistics are derived from a survey based on the week including the 12th of each month of Hawai'i residents with a sample size of about 1,000 households. A series of questions are asked to assess whether a person is currently part of the labor force, and if so, what is their current employment status. Employed persons consist of: 1) all persons who did any work for pay or profit during the survey reference week, 2) all persons who did at least 15 hours of unpaid work in a family-owned enterprise operated by someone in their household, and 3) all persons who were temporarily absent from their regular jobs, whether they were paid or not. Persons are classified as unemployed if they do not have a job, have actively looked for work in the prior four weeks, and are currently available for work. Workers expecting to be recalled from layoff are counted as unemployed, whether or not they have engaged in a specific job seeking activity. Persons not in the labor force are those who are not classified as employed or unemployed during the survey reference week.

Changes to Local Area Unemployment Statistics Data

The 2010 labor force estimates have been revised to incorporate updated inputs, updated population controls, re-estimation of models, and adjustment to new division and national control totals. The updated population controls reflect the annual updating of population estimates by the U.S. Census Bureau.

Change to Monthly Employment Estimates

For years, monthly employment estimates for Hawai'i and our metropolitan areas have been developed by analysts with the State Department of Labor - Research and Statistics Office. These estimates were based on a monthly survey of Hawaii businesses and analysts' knowledge about our local economies.

Beginning with the production of preliminary estimates for March 2011, responsibility for the production

of State and metropolitan area (MSA) estimates was transitioned from individual state agencies to the U.S. Bureau of Labor Statistics (BLS). For Hawai‘i, this means the transition of statewide and Honolulu MSA areas. State agencies will continue to provide the BLS with information on local events that may impact the estimates, such as strikes or large layoffs/hiring at businesses not covered by the survey and to disseminate and analyze the CES estimates for local data users. BLS feels this change is designed to improve the cost efficiency of the CES program and to reduce the potential bias in state and area estimates. A portion of the cost savings generated by this change is slated to be directed towards raising survey response rates in future years, which will decrease the level of statistical error in the CES estimates. Until then, state analysts feel this change could result in increased month-to-month variability for the industry employment numbers particularly for Hawaii's counties and islands.

Alternative Measures of Labor Underutilization

Alternative Measures of Labor Underutilization for States, 2010 Annual Averages.

Alternative measures of labor underutilization by state, 2010 annual averages (percent)						
State	Measure					
	U-1	U-2	U-3	U-4	U-5	U-6
United States	5.7	6.0	9.6	10.3	11.1	16.7
Hawaii	3.9	3.8	7.0	7.9	8.9	16.9

The six alternative labor underutilization state measures based on the Current Population Survey (CPS) and compiled on a 4-quarter moving average basis defined:

- U-1, persons unemployed 15 weeks or longer, as a percent of the civilian labor force;
- U-2, job losers and persons who completed temporary jobs, as a percent of the civilian labor force;
- U-3, total unemployed, as a percent of the civilian labor force (this is the definition used for the official unemployment rate);
- U-4, total unemployed plus discouraged workers, as a percent of the civilian labor force plus discouraged workers;
- U-5, total unemployed, plus discouraged workers, plus all other marginally attached workers*, as a percent of the civilian labor force plus all marginally attached workers; and
- U-6, total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers.

* Individuals who want, and are available for work, and who have looked for a job sometime in the prior 12 months (or since the end of their last job if they held one within the past 12 months), but were not counted as unemployed because they had not searched for work in the four weeks preceding the survey, for such reasons as child care or transportation problems, for example. Discouraged workers are a subset of the marginally attached.

Note that, the state unemployment rates (U-3) that are shown are derived directly from the CPS. As a result, these U-3 measures may differ from the official state unemployment rates for the latest 4-quarter period. The latter are estimates developed from statistical models that incorporate CPS estimates, as well as input data from other sources, such as state unemployment claims data.

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For more information, contact:

Francisco P. Corpuz
Research and Statistics Office
Department of Labor and Industrial Relations
francisco.p.corpuz@hawaii.gov
Phone: (808) 586-8996
Fax: (808) 586-9022